

# Renaissance reports RO1.9mn loss

**Our Correspondent**  
Muscat

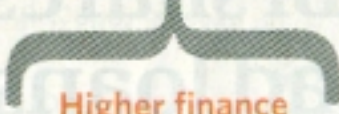
Renaissance Services reported a net loss of RO1.9mn for the six-month period ended June 30, 2015 against a net profit of RO10.9mn in the corresponding period of the previous year.

Group revenue came in at RO117.9mn, a marginal increase from RO117.3mn in the same period last year. The company wrote off unamortised loan arrangement costs of RO3.2mn in its Topaz subsidiary in the first half of this year.

Renaissance reported an operating profit of RO21mn in the first half this year, down from RO27.6mn in the corresponding period last year. This year's first half includes a one-off receivables provision of RO1.9mn.

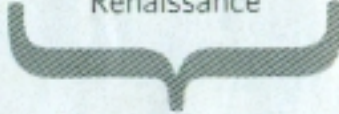
"Revenue is holding up at a similar level to last year. Higher finance costs and aggressive margin squeezes continue to put pressure on overall net profit. In

addition, we are making provisions of RO1.9mn for potentially vulnerable receivables in Topaz and Renaissance," Renaissance Services said in the chairman's report submitted to the Muscat Securities Market on Tuesday.



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Renaissance



"The short leash that global politics keeps on the price of a barrel of oil continues to affect many markets, so our new business in West Africa is sharing that market's difficulty in activating its considerable reserves.

"The strength of our Caspian position and comparative stabil-

ity in MENA keeps revenue flowing to our oil and gas businesses and we are continuing to see accommodation and service business volumes grow in Oman."

Across the group, Renaissance however said, contract backlogs guarantee significant cashflows in the long term, and financial markets continue to have confidence in its plans and potential.

Topaz's revenue declined to RO67.5mn in the first half of 2015 from RO71.3mn in the same period last year. Total revenue of the division previously reported as Contract Services Group (CSG) increased to RO50.3mn in 2015 from RO45.9mn.

"The recent dip in oil prices have dampened any prospect of a better second half of the year, akin to a perfect storm; clearly trading conditions will remain difficult for Topaz. Renaissance, through its contract services, continues to track its previous year's operating results," Renaissance said.